# Message Text

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**ACTION ARA-10** 

INFO OCT-01 ISO-00 OES-02 COME-00 NSF-01 AEC-05 AID-05

IO-04 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01 NSAE-00

NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01

TRSE-00 /070 W

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OR 021615Z NOV 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 6263

INFO AMEMBASSY BUENOS AIRES

AMEMBASSY SANTIAGO

AMEMBASSY MONTEVIDEO

AMEMBASSY CARACAS

AMEMBASSY BOGOTA

AMEMBASSY GUATEMALA CITY IMMEDIATE

AMEMBASSY MEXICO CITY IMMEDIATE

CONFIDENTIAL SECTION 1 OF 2 BRASILIA 8326

GUATEMALA/MEXICO PASS HERMAN POLLACK

DEPT PASS ALL OTHER ARA DIPLOMATIC POSTS

E. O. 11652: GDS

TAGS: PFOR, TGEN, BR

SUBJECT: WORKING GROUP ON SCIENCE AND THE TRANSFER OF TECHNOLOGY

1. AMBASSADOR BOWDLER MET MORNING NOV. 1 WITH GOB GROUP HEADED BY BATISTA VIDAL, SECRETARY FOR INDUSTRIAL TECHNOLOGY IN MINISTRY OF INDUSTRY AND COMMERCE AND FRANK DA COSTA, CHIEF OF FOREIGN MINISTRY'S DIVISION OF SCIENCE AND TECHNOLOGY. BOWDLER OPENED MEETING WITH REVIEW OF U.S. THINKING ON FOLLOW-ON INTER-AMERICAN MECHANISM TO PROMOTE EXPANDED COOPERATION IN S/T. HE DESCRIBED COMPOSITION AND FUNCTIONS OF AN INTER-GOVERNMENTAL

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COORDINATING COMMITTEE WITH SUBORDINATE TECHNICAL

COMMITTEE OF EXPERTS AND AD HOC SPECIAL GROUPS.
HE NOTED THAT THE COORDINATIONG COMMITTEE MIGHT
FUNCTION AT THREE LEVELS: ONE FOR DISCUSSIONS AMONG
LATIN AMERICANS, A SECOND FOR LA/US DISCUSSIONS, AND
A THIRD WITH PARTICIPATION OF GOVERNMENTS OUTSIDE
THE HEMISPHERE. BOWDLER ALSO DESCRIBED OUR IDEAS ON A
U.S. FOCAL POINT.

- 2. BOWDLER EXPLAINED THAT USG INTEREST IN ESTABLISHING A NEW MECHNISM IS THAT IT BE TECHNICAL, FLEXIBLE AND RESPONSIVE TO THE NEEDS OF THE GOVERNMENTS. RELATIONSHIP OF THE NEW MECHANISM TO THE OAS STRUCTURE WOULD HAVE TO BE CONSIDERED CAREFULLY. IT COULD BE (1) INCORPORATED WITHIN A RESTRUCTURED OAS, (2) SET UP AS AN INDEPENDENT MECHANISM UTILIZING THE OAS SECRETARIAT FACILITIES OR (3) ESTABLISHED AS A COMPLETELY SEPARATE ORGANIZATION. THE MORE PRACTICAL APPROACH WAS PROBABLY THE SECOND. ON THE FINANCIAL SIDE, BOWDLER SAID USG WAS NOT THINKING IN TERMS OF A NEW SPECIAL FUND BUT OF USING EXISTING FACILITIES TO CHANNEL RESOURCES INTO S/T ACTIVITY BASED ON CAREFULLY PREPARED PROJECTS.
- 3. BRAZILIANS SAID THAT THEIR IDEAS ON A MECHANISM DIFFER FROM U.S. PRESENTATION IN THAT GOB PREFERRED TO AVOID ESTABLISHMENT OF ANY PERMANENT SECRETARIAT AND, RATHER THA COORDINATING COMMITTEE ALONG USG-SUGGESTED LINES, THEY WERE THINKING OF A LESS FORMAL COMMITTEE OF EXPERTS THAT WOULD CONVENE ON ESSENTIALLY AN AD HOC BASIS AND NOT POSSESS ANY FORMAL CONTINUING ORGANIZATION. THEY SAW THE EXPERTS COMMITTEE AS BEING ENGAGED IN EFFORTS TO STRENGTHEN THE INTERNAL INFRA-STRUCTURE OF MEMBER GOVERNMENTS AND ASSISTING THEM GAIN ACCESS TO AND UTILIZATION OF TECHNOLOGY FROM MORE DEVELOPED COUNTRIES BUT NOT HAVING ANY POLICY OR DECISION MAKING AUTHORITY TO DEAL WITH IMPROVING TERMS AND CONDITIONS OF TECHNOLOGY TRANSFER OR ESTABLISHMENT OF NEW MECHANISMS SUCH AS INSTITUTES OR LABORATORIES.
- 4. INSTEAD OF TECHNICAL COMMITTEE AS SUGGESTED IN USG PAPER, BRAZILIANS THOUGHT THAT THIS IMPORTANT ASPECT OF CONFIDENTIAL

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TECHNOLOGICAL COOPERATION SHOULD BE CONDUCTED ON COUNTRY-TO-COUNTRY BASIS. THEY THOUGHT THAT AREGIONAL APPROACH TOWARD SOLVING CONCRETE TECHNOLOGY PROBLEMS WAS NOT USEFUL. THEY HAD IN MIND AN APPARATUS WHEREBY INDIVIDUAL COUUNTRIES, OR PERHAPS SUB-GROUPS OF COUNTRIES SUCH AS CENTRAL AMERICANS OR ANDEAN COUNTRIES, WOULD ESTABLISH THEIR OWN TECHNOLOGY COMMITTEES, EACH OF WHICH COULD THEN, ON ITS OWN INITIATIVE, DEAL WITH THE U.S.

COORDINATING OFFICE OR TECHNOLIGICAL COMMITTEE OF ANOTHER LA MEMBER WITH RESPECT TO SPECIFIC PROBLEMS. IN RESPONSE TO BOWDLER'S COMMENT ON DESIRABILITY FOR A STRUCTURE ABLE TO ENGAGE PRIVATE AS WELL AS PUBLIC SECTORS, BRAZILIANS FELT THAT INTERFACE OF NATIONAL COMMITTEES COULD BRING THIS ABOUT JUST AS WELL AS AN INTER-AMERICAN MECHANISM. THEY SAID BRAZIL WOULD HAVE A CONCRETE PROPOSAL ALONG THESE LINES TO PRESENT AT SANTIAGO SUB-GROUP IV MEETING. ON QUESTION OF FINANCIAL RESOURCES, BRAZILIANS AGREED WITH U.S. POSITION THAT A NEW SPECIAL FUND WAS NEITHER NECESSARY NOR DESIRABLE AND THAT RESOURCES FOR SPECIFIC PROJECTS COULD COME FROM A BENEFITING COUNTRY OR SOME EXISTING INSTITUTION, SUCH AS IFI'S.

NOTE BY OCT: BRASILIA 8326 NOT PASSED ABOVE.

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GUATEMALA/MEXICO PASS HERMAN POLLACK

### DEPT PASS ALL OTHER ARA DIPLOMATIC POSTS

5. DISCUSSION THEN TURNED TO REVIEW OF OVERALL WG ACTIVITIES, FOREIGN MINISTRY REP DA COSTA, IN A SOMEWHAT CHARACTERISTIC DOCTRINAIRE EXPOSITION, COMMENTED THAT, ALTHOUGH GOB ONLY GAVE SECONDARY IMPORTANCE TO SUBGROUPS I AND II, THEY WERE DISAPPOINTED IN THE RESULTS OF THE GUATEMALA AND BOGOTA MEETINGS WHERE, DA COSTA SAID, U.S. HAD SHOWN NEGATIVE ATTITUDE INCONSISTENT WITH THE STATEMENTS AND AGREEMENTS MADE AT JUNE WG MEETING IN BRASILIA. HE SAID SG-I HAD ENDED UP WITH A WATERED-DOWN DOCUMENT AND THAT U.S. REMAINED APART FROM LA CONSENSUS AT SG-II MEETING. DA COSTA SAID MAIN COMPLAINT WAS THAT U.S. HAD BEEN UNWILLING TO GIVE CLEAR STATEMENT OF INTENTION AND WILLINGNESS TO CONFIDENTIAL

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HELP BUILD CAPABILITIES OF LA COUNTRIES TO DO THEIR OWN R/D, TO DIRECT "SUBSTANTIAL AND QUANTIFIABLE" AMOUNTS OF U.S. R&D RESOURCES TO LA NEEDS, AND TO HELP AN IMPROVED FLOW OF TECHNOLOGY. DA COSTA DID ACKNOWLEDGE THAT SG-III MEETING AT CARACAS, WHICH HE SAID WAS THE ONLY WG ACTIVITY THAT BRAZIL REGARDED AS IMPORTANT FOR ITS OWN INTERESTS, DI D PRODUCE GOOD RESULTS. HE SAID GOB HOPED THAT SANTIAGO OR PUNTA DEL ESTE MEETINGS WOULD SEE A MANIFESTATION OF U.S. WILL AND INTENTIONS ON TECHNOLOGY TRANSFER THAT WOULD CONSTITUTE THE GLOBAL COMMITMENTS WHICH WAS STILL LACKING.

6. BATISTA VIDAL ADDED THAT GOB EFFORTS TO RAISE NATIONAL TECHNOLOGICAL LEVEL HAD OFTEN BEEN FRUSTRATED BY PRACTICES OF MULTILATERAL INSTITUTIONS AS WELL AS PRIVATE FOREIGN COMPANIES. HE CITED AS EXAMPLES EMPHASIS OF WORLD BANK ON EQUIPMENT PROCUREMENT AND RELUCTANCE TO SUPPORT PROJECTS AIMED DIRECTLY AT TECHNOLOGY DEVELOPMENT. HE ALSO MENTIONED DIFFI-CULTIES IN IDB ON TECHNOLOGY LOANS, WHICH HE ATTRIBUTED TO USG OPPOSITION. BRAZILIANS SAID THAT EXPERIENCES SUCH AS THESE LEAD TO CONCLUSION THAT DEVELOPED COUNTRIES REMAINED INTENT ON PRESERVING THEIR MONOPOLY IN TECHNOLOGY AND THAT OUTCOME OF MFM WORKING GROUP BASICALLY DEPENDED ON WILLINGNESS OF USG TO SHIFT ITS POLICY IN TECHNOLOGY AREA. IN RESPONSE, WE CITED VARIOUS INSTANCES OF FAVORABLE RESULTS FOR BRAZIL FROM TECHNOLOGY TRANSFER AFFORDED BY PRIVATE COMPANIES AND ASKED BATISTA FOR AN EVALUATION OF AID SCIENCE AND TECHNOLOGY LOAN IN BRAZIL WHICH WE REGARDED AS A VERY POSITIVE EXAMPLE OF COOPERATION ON TECHNOLOGY.

BATISTA ACKNOWLEDGED THAT AID LOAN WAS INNOVATIVE BUT SAID THAT HE WAS NOT YET FAMILIAR WITH DETAILS TO GIVE AN EVALUATION.

7. BOWDLER ALSO MEET WITH CHIEF OF FOREIGN
MINISTRY'S DEPARTMENT OF REGIONAL AMERICAN ORGANIZATIONS, CABRAL DE MELLO, WHO GAVE SAME GENERAL
LINE AS PRESENTED IN MORNING MEETING -- PREFERENCE
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FOR AD HOC MECHNISM AND BILATERAL SOLUTIONS, DISSATISFACTION WITH OAS APPARATUS, NO NECESSITY FOR NEW SPECIAL FKD, AND DESIRE THAT USG ACT TO MAKE PRIVATELY-OWNED TECHNOLOGY MORE READILY AVAILABLE TO LATIN AMERICA.

8. BRAZILIANS AGREED TO NOV. 25 DATE FOR SANTIAGO SUB-GROUP IV MEETING. ON DATE FOR PUNTA DEL ESTE WORKING GROUP SESSION, THEY PREFERRED EARLY DECEMBER (THEY SUGGESTED DEC. 2) OR AFTER THREE KINGS DAY (PERHAPS STARTING JAN. 7.) CRIMMINS

NOTE BY OCT: BRASILIA 8326 NOT PASSED ABOVE.

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